

AMENDED IN ASSEMBLY AUGUST 19, 2016

AMENDED IN ASSEMBLY AUGUST 3, 2016

AMENDED IN ASSEMBLY AUGUST 1, 2016

AMENDED IN ASSEMBLY JUNE 14, 2016

AMENDED IN SENATE APRIL 12, 2016

SENATE BILL

No. 1414

Introduced by Senator Wolk

(Principal coauthor: Assembly Member Williams)

February 19, 2016

An act to add Section 25402.12 to the Public Resources Code, and to amend Section 399.4 of the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

SB 1414, as amended, Wolk. Energy.

Existing law requires the State Energy Resources Conservation and Development Commission (Energy Commission) to prescribe, by regulation, building design and construction standards and energy and water conservation design standards for new residential and nonresidential buildings. Existing law requires the Energy Commission to prescribe, by regulation, standards for minimum levels of operating efficiency to promote the use of energy-efficient and water-efficient appliances whose use requires a significant amount of energy or water on a statewide basis. Existing law requires that the minimum levels of operating efficiency be based on feasible and attainable efficiencies or feasible improved efficiencies that will reduce the energy or water consumption growth rates. Existing law prohibits a new appliance manufactured on or after the effective date of the operating efficiency

standards to be sold or offered for sale in the state unless it is certified by the manufacturer to be in compliance with those standards.

This bill would require the Energy Commission, by January 1, 2019, to approve a plan that will promote compliance with specified regulations in the installation of central air conditioning and heat pumps. The bill would authorize the Energy Commission to adopt regulations to increase compliance with permitting and inspection requirements for central air conditioning and heat pumps, and associated sales and installations, consistent with that plan.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. The Reliable Electric Service Investments Act states the intent of the Legislature that the Public Utilities Commission continue to administer cost-effective energy efficiency programs that produce cost-effective energy savings, reduce customer demand, and contribute to the safe and reliable operation of the electrical distribution grid. Under the act, in order to receive a rebate or incentive offered by a public utility for an energy efficiency improvement or for the installation of energy efficient components, equipment, or appliances in buildings, the recipient is required to certify that the improvement or installation complied with any applicable permitting requirements and, if a contractor performed the installation or improvement, that the contractor holds the appropriate license for the work performed.

~~This bill would additionally limit the application of the above energy efficiency rebate and incentive provisions to customer or contractor recipients. The bill would require the recipient of an energy efficiency rebate or incentive to certify a customer or contractor to certify that the an energy efficiency improvement or installation complied with any applicable specifications or requirements set forth in the California Building Standards Code and, if a contractor performed the installation or improvement, that the contractor holds the appropriate license for the work performed. Code in order to receive a rebate or incentive. The bill would require the recipient of a a customer or contractor receiving a rebate or incentive offered by a public utility for purchasing or installing central air conditioning or a heat pump rebate or incentive pump, and their related fans, to additionally provide a proof of permit closure. The bill would also more specifically identify the Public Utility Commission's statutory authority for supervising cost-effective energy efficiency programs.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 25402.12 is added to the Public Resources
2 Code, to read:
3 25402.12. (a) On or before January 1, 2019, the commission,
4 in consultation with the Contractors' State License Board, local
5 building officials, and other stakeholders, shall approve a plan that
6 will promote compliance with Part 6 of Title 24 of the California
7 Code of Regulations in the installation of central air-conditioning
8 and heat pumps.
9 (b) Prior to approving the plan described in subdivision (a), the
10 commission shall do all of the following:
11 (1) Evaluate the best available technological and economic
12 information to ensure that data collection and its use is feasible
13 and achievable at a reasonable cost to government, industry, and
14 homeowners.
15 (2) Consider the impact of the plan on all of the following:
16 (A) Property owners.
17 (B) The heating, ventilation, and air-conditioning industry,
18 including manufacturers, distributors, and contractors.
19 (C) Local governments.
20 (D) Building officials.
21 (E) The Contractors' State License Board.
22 (3) Provide the public with the opportunity to review and
23 comment on the proposed plan.
24 (c) The commission may adopt regulations to increase
25 compliance with permitting and inspection requirements for central
26 air-conditioning and heat pumps, and associated sales and
27 installations, consistent with the plan approved pursuant to
28 subdivision (a).
29 SEC. 2. Section 399.4 of the Public Utilities Code is amended
30 to read:
31 399.4. (a) (1) In order to ensure that prudent investments in
32 energy efficiency continue to be made that produce cost-effective
33 energy savings, reduce customer demand, and contribute to the
34 safe and reliable operation of the electrical distribution grid, it is
35 the policy of this state and the intent of the Legislature that the

1 commission shall supervise the administration of cost-effective
2 energy efficiency programs authorized pursuant to its statutory
3 authority, including Sections 381, 381.1, 381.2, 381.5, 382, 384.5,
4 400, 454.5, 454.55, 454.56, 589, 701.1, 749, and 769, Article 10
5 (commencing with Section 890) of Chapter 4, and Chapter 6
6 (commencing with Section 2781) of Part 2.

7 (2) As used in this section, the term “energy efficiency” includes,
8 but is not limited to, cost-effective activities to achieve peak load
9 reduction that improve end-use efficiency, lower customers’ bills,
10 and reduce system needs.

11 (b) (1) ~~Any rebates or incentives~~ *If a customer or contractor*
12 *is the recipient of a rebate or incentive* offered by a public utility
13 for an energy efficiency improvement or installation of energy
14 efficient components, equipment, or appliances in ~~buildings~~ *shall*
15 ~~be provided~~ *a building, the public utility shall provide the rebate*
16 *or incentive only if the recipient of the rebate or incentive customer*
17 *or contractor* certifies that the improvement or installation has
18 complied with any applicable permitting ~~requirements and~~
19 ~~requirements~~, *including any applicable specifications or*
20 *requirements set forth in the California Building Standards Code*
21 *(Title 24 of the California Code of Regulations), and, if a contractor*
22 *performed the installation or improvement, that the contractor*
23 *holds the appropriate license for the work performed.*

24 (2) In addition to the requirements of paragraph (1), ~~any rebates~~
25 ~~or incentives~~ *if a customer or contractor is the recipient of a rebate*
26 *or incentive* offered by a public utility for the purchase or
27 installation of central air-conditioning or ~~heat pumps, or related~~
28 ~~equipment~~, *shall be provided a heat pump, and their related fans,*
29 *the public utility shall provide the rebate or incentive only if the*
30 *recipient of the rebate or incentive customer or contractor* provides
31 proof of permit closure. The public utility is not responsible for
32 verifying the proof of permit closure documentation provided by
33 ~~the recipient.~~ *customer or contractor.*

34 (3) This subdivision does not imply or create authority or
35 responsibility, or expand existing authority or responsibility, of a
36 public utility for the enforcement of the building energy and water
37 efficiency standards adopted pursuant to subdivision (a) or (b) of
38 Section 25402 of the Public Resources Code, or appliance
39 efficiency standards and certification requirements adopted

1 pursuant to subdivision (c) of Section 25402 of the Public
2 Resources Code.

3 (4) Nothing in this subdivision shall limit the authority of the
4 commission to impose any additional requirements on a recipient
5 of any rebate or incentive.

6 (c) The commission, in evaluating energy efficiency investments
7 under its statutory authority, shall also ensure that local and
8 regional interests, multifamily dwellings, and energy service
9 industry capabilities are incorporated into program portfolio design
10 and that local governments, community-based organizations, and
11 energy efficiency service providers are encouraged to participate
12 in program implementation where appropriate.

13 (d) The commission, in a new or existing proceeding, shall
14 review and update its policies governing energy efficiency
15 programs funded by utility customers to facilitate achieving the
16 targets established pursuant to subdivision (c) of Section 25310
17 of the Public Resources Code. In updating its policies, the
18 commission shall, at a minimum, do all of the following:

19 (1) Authorize market transformation programs with appropriate
20 levels of funding to achieve deeper energy efficiency savings.

21 (2) Authorize pay for performance programs that link incentives
22 directly to measured energy savings. As part of pay for performance
23 programs authorized by the commission, customers should be
24 reasonably compensated for developing and implementing an
25 energy efficiency plan, with a portion of their incentive reserved
26 pending post project measurement results.

27 (3) Authorize programs to achieve deeper savings through
28 operational, behavioral, and retrocommissioning activities.

29 (4) Ensure that customers have certainty in the values and
30 methodology used to determine energy efficiency incentives by
31 basing the amount of any incentives provided by gas and electrical
32 corporations on the values and methodology contained in the
33 executed customer agreement. Incentive payments shall be based
34 on measured results.